

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE UNION LIGHT, HEAT AND POWER)	
COMPANY)	
_____)	CASE NO. 2002-00265
)	
FAILURE TO COMPLY WITH)	
COMMISSION REGULATION)	
807 KAR 5:006, SECTION 26(1)(2))	

O R D E R

On August 6, 2002, the Commission directed The Union Light, Heat and Power Company (ULH&P) to show cause why it should not be penalized pursuant to KRS 278.990(1) for its alleged violations of Commission Regulation 807 KAR 5:006, Section 26(1)(2). On August 26, 2002, ULH&P and Commission Staff met at an informal conference to resolve all outstanding issues in this proceeding. On September 4, 2002, they executed a Settlement Agreement, appended hereto, and jointly moved for Commission approval of that agreement.

After reviewing the Settlement Agreement and considering the circumstances surrounding this matter, the Commission finds that the Settlement Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.

2. The terms and conditions of the Settlement Agreement are adopted and approved.

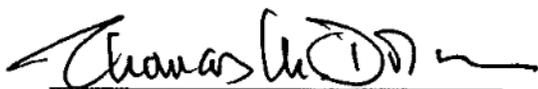
3. Within 10 days of the date of this Order, ULH&P shall pay to the Commonwealth of Kentucky the sum of \$500. This payment shall be in the form of a cashier s check made payable to Treasurer, Commonwealth of Kentucky and shall be mailed or delivered to the Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

4. Upon payment of the assessed penalty as described above, this case shall be removed from the Commission s docket.

Done at Frankfort, Kentucky, this 21st day of October, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 2002-00265
DATED October 21, 2002

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE UNION LIGHT, HEAT AND POWER COMPANY)
_____)
ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:006, Section 3(1))

CASE NO.
2002-00265

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into this 14 day of September, 2002, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and THE UNION LIGHT, HEAT AND POWER COMPANY ("ULH&P").

WITNESSETH:

WHEREAS, ULH&P is a natural gas utility subject to Public Service Commission jurisdiction pursuant to KRS 278.040 and KRS 278.280; and

WHEREAS, on May 1, 2002, Virgil Ante and Darren Martin were injured when their scaffolding jack contacted the field phase of a three-phase 7200-volt overhead line belonging to ULH&P; and

WHEREAS, on June 18, 2002, Commission Staff issued a Utility Accident Investigation Report regarding this incident; and

WHEREAS, on August 6, 2002, the Commission issued a show cause Order to ULH&P for the alleged violation of 807 KAR 5:006, Section 26(1)(2), and directing

ULH&P to show cause why it should not be subject to the penalties of KRS 278.950(1) for this alleged violation; and

WHEREAS, ULH&P and Commission Staff held an informal conference on August 26, 2002, at which ULH&P acknowledged that it should have complied with the reporting requirements of 807 KAR 5:006, Section 26; and

WHEREAS, ULH&P and Commission Staff desire to settle the issues raised by this proceeding and have entered into this Settlement Agreement through compromise to settle this proceeding;

NOW, THEREFORE, ULH&P and Commission Staff agree that:

1. Within 10 days after the entry of an Order approving this settlement Agreement, ULH&P shall pay to the Commonwealth of Kentucky the sum of Five Hundred Dollars (\$500). This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to the Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Frankfort, Kentucky 40602.
2. Nothing contained herein shall be construed as an admission of a willful violation of any statute, administrative regulation, or any provision of the National Electrical Safety Code ("NESC"), nor shall the Public Service Commission's acceptance of this agreement be construed as a finding of a willful violation of any statute, administrative regulation, or any provision of the NESC.
3. This Agreement is subject to the acceptance of and approval by the Public Service Commission.

4. Commission Staff shall recommend to the Public Service Commission that this Settlement Agreement be accepted and approved.

5. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on either signatory or be construed against either ULH&P or Commission Staff.

6. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an Order in this proceeding to that effect, ULH&P shall not apply for rehearing in this proceeding nor bring an action in Franklin Circuit Court for review of the Order.

IN WITNESS WHEREOF, ULH&P and Commission Staff have executed this Settlement Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE COMMISSION
OF KENTUCKY

BY: Angela H. Curry
Staff Attorney

THE UNION LIGHT HEAT AND POWER COMPANY

BY: John J. Stangor
TITLE: Senior Counsel